



▶ Do you have questions regarding the 457(B) deferred compensation plan?
Contact Erin Guerke
at 302.672.6705 or
Erin.Guerke@state.de.us



▶ Teachers do you have questions regarding you 403(B) account?
Contact Gary Scheidecker
at 302.672.6706 or
Gary.Scheidecker@state.de.us



▶ Would you like us to come to your agency to discuss benefits of enrollment in our plans?
Contact Josh Hitchens
at 302.672.6733 or
Joshua.Hitchens@state.de.us



○ ISSUE 9 | ○ WINTER | ○ 2011

Delaware State Treasury
State Treasurer Chip Flowers

DEFERRED COMP *Communicator*

ADDRESSING THE NEEDS
OF STATE OF DELAWARE
DEFERRED COMPENSATION
PLAN PARTICIPANTS

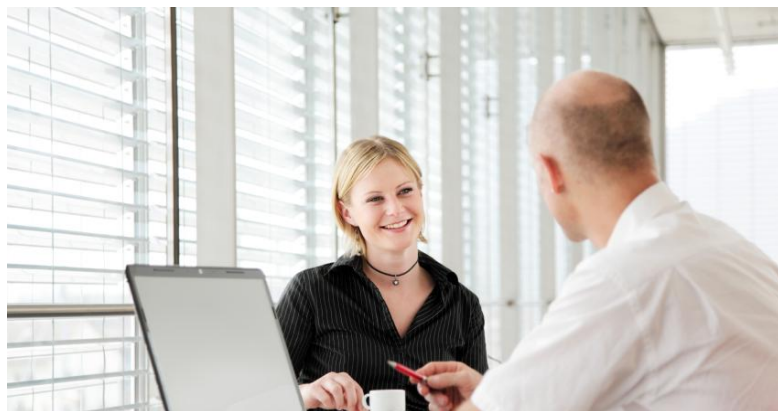
Start 2011 off right!!!

There is no time like the present to get on the right financial track

The New Year is a great time to take a fresh look at your finances. Here are a few simple things you can do to get on the right financial track:

- ✓ Create a budget and stick to it. Doing so can help you find more money to save.
- ✓ Create a plan to eliminate your debt. Being debt free keeps more of your paycheck in your pocket, which you can put toward savings.
- ✓ Evaluate your retirement savings. Make an effort to contribute to the State of Delaware Deferred Compensation Savings Plan. It is an easy way to pay yourself first and save on taxes.
- ✓ Revisit your college savings plan. If you have children, consider opening a 529 College Savings Plan. Your savings grow tax deferred and you can remove the money tax free if you spend it on higher education expenses.

For more information visit our website at DelawareSaves.com.



Looking for guidance to bring your financial goals into focus

We offer complimentary appointments with a third-party financial consultant on a continuous basis up and down the state. We can help you find the answers to your most important questions about deferred compensation.

To schedule an appointment at a location near you, call Fidelity at 1.800.642.7131 or go to www.Fidelity.com/atwork/reservations.

Visit our new website today at – www.DelawareSaves.com



How much money can I contribute in 2011???

The Internal Revenue Code limits annual contributions into eligible deferred compensation plans. The Internal Revenue Service did not change contribution limits for 2011. For both the 457(b) and 403(b) Plans, the 2011 limit remains \$16,500 for those under age 50. Those employees over the age of 50 get the benefit of a catch-up contribution of an additional \$5,500.

The 457(b) Plan also has a special catch-up which allows employees to catch-up for prior years in which they may not have contributed the maximum amount to their plan. The special catch-up limit for 2011 is \$16,500. For more information on annual contribution limits, please visit our website or give us a call.

457(b)...403(b)...

I'm confused!!! What do all these numbers mean???



It can be quite a challenge to stay informed about all the details surrounding workplace retirement savings plans. Many people have heard of a 401(k), but are unfamiliar with the State of Delaware retirement savings plans. Here is some information to help you get a better understanding of the retirement savings options available to you.

The primary plans offered to State of Delaware employees are the 457(b) Plan and the 403(b) Plan. Essentially, the 457(b) and 403(b) are very similar to a 401(k). The main difference is that 401(k) Plans are for employees of private companies. For State of Delaware employees, the 457(b) is offered to all employees working for the State in a pension eligible position and the 403(b) is specifically for all personnel working for a school district, charter school, college, or university.

Both the 457(b) and the 403(b) allow employees to defer taxation on pre-tax contributions made to their retirement savings accounts. This means that you can save money without having to pay income tax on it, or on its earnings until retirement.

The biggest difference between the 457(b) and the 403(b) is the 457(b) has no minimum retirement age, and therefore there is no early withdrawal penalty, unlike the 403(b). The 403(b) assesses an employee a 10% penalty if they withdraw money prior to reaching age 59 ½. Please visit us online at www.DelawareSaves.com for more details on withdrawing money from both the 457(b) and 403(b) plans.

Employees who are eligible for both the 457(b) and 403(b) Plans may contribute to both plans at the same time. Legislation passed in 2001 allows employees to make the maximum contribution amount to both plans in the same year. Please refer to the article on page 1 listing the contribution limits for 2011.

To learn more about the plans available to State of Delaware employees, please visit our website at www.DelawareSaves.com and get started saving for your retirement today.

RETIREMENT SAVINGS QUICK FACT:



You'll need your retirement savings to last a longer period of time. Thanks to today's healthier lifestyles and medical advances, Americans are living longer than ever before in history. In fact, there's a 50% chance that one member of an average, healthy 65 year-old couple will live to be 92 years of age. So a typical 65 year-old retiree may need retirement income for 30+ years, even more if they retire early.

About the Delaware State Treasury

The mission of the Delaware State Treasury, the cornerstone of the state's financial system, is to restore economic prosperity to the First State by providing critical financial services for the People of the State of Delaware. Led by Delaware State Treasurer Chip Flowers, Jr., Esq., the Delaware State Treasury works with public, private and nonprofit organizations to present financial clarity to all Delawareans through its four divisions – Executive Office of the State Treasurer, Office of Finance and Treasury Services, Office of Disbursements and Reconciliations and the Office of Economic Policy. For more information on the Delaware State Treasury, you can visit www.treasurer.delaware.gov, send an email to statetreasurer@state.de.us, or call 302-672-6700.

**Your future self just left a message.
Start saving.**

Take control of your retirement and start saving in the State of Delaware Deferred Compensation Plan today.

Contact your State Treasury to learn more at 1.800.675.8600 or go to www.DelawareSaves.com.

